

USAID/Mali

Annual Report

FY 2004

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Mali

Performance:

A large landlocked Sahelian country with a per capita income of about \$250 and a population of 11.6 million, Mali's economy is based on activities linked to agriculture (cotton, livestock, and cereals) and mining (gold). About 10% of the population is nomadic and some 80% of the labor force is engaged in farming and fishing. Less than 4% of Mali's land area is arable; its arid northern half is largely unproductive Saharan desert. The Niger and Senegal river basins in the eastern and western portions of the country, respectively, support a variety of cash and subsistence crops. Large, vibrant, informal trading and commercial sectors characterize the few urban centers. Industrial activity is concentrated on processing farm commodities. Mali is heavily dependent on foreign aid and vulnerable to fluctuations in world prices for cotton, its main export, along with gold. Mali's chief development challenges are: a high growth rate (3.1% per year), a young, poorly educated population (66% illiterate); a largely subsistence level of agricultural production with limited infrastructure; an agriculture economy dependent on rain fall, and an inadequate health care delivery system (one doctor per 20,000). Two other factors impede development: (i) the northern regions' vast open spaces and long, porous borders offer relatively free movement and sanctuary within Mali and its neighbors for small armed groups linked to international terrorism which threaten to destabilize the region; and (ii) continued unrest in neighboring Côte d'Ivoire, through which 70% of Mali's trade flows retards economic activity and is a threat to Mali's own stability.

In 2003, the economy in Mali slowed in large measure due to unfavorable weather conditions during the 2002/03 crop year, a fall in world cotton prices, and the adverse impact of the continuing crisis in its main trading partner, Côte d'Ivoire. Projected real GDP growth is 3.2% compared with 4.4% in 2002 (using the new national accounts methodology). The good news is that inflation is anticipated to be below 1% in 2003 compared with 5% a year earlier.

The World Bank classifies Mali as a severely indebted low-income country. Despite its difficult debt situation, Mali has maintained good performance in terms of its economic reform program and in the past year has made significant progress with respect to restructuring the cotton, transportation and telecommunications sectors. Public spending directed to the social sectors has increased significantly since 2000 as a result of the additional resources made available through the Heavily Indebted Poor Countries (HIPC) Initiative.

Mali's democratic record since the ouster of the former dictatorship in 1991 is impressive. The country maintains arguably the most liberal press environment in West Africa and is home to almost 150 private radio stations. The country's ethnic harmony is buttressed by good cooperation between locally elected officials and traditional leaders. In June 2002, former President Konaré willingly stepped aside, following a transparent and fair electoral process.

Mali's social indicators place it among the world's least developed countries and according to the 2003 United Nations Human Development Index, Mali ranked 172 out of 175 countries - down from 164 in 2002. The Poverty Reduction Strategy Paper developed under the HIPC Initiative has been widely embraced and provides a comprehensive framework for government, civil society and donors to tackle the endemic poverty. The Malian government has embraced a pro-growth strategy to lift its country out of poverty and has wisely taken a strong public stance against corruption.

U.S. Interests and Goals

Mali is home to numerous ethnic groups; however over 80% adhere to the Muslim faith. Thanks to its democratic credentials and the commitment of its leadership to regional integration, Mali is increasingly

viewed as a stabilizing force in the volatile West Africa region. EUCOM -- the U.S. military command responsible for West and Central Africa -- considers Mali a top priority due to the fact that United Nations' recognized terrorist groups are operating in the north, which could have a disastrous impact on regional security and possibly U.S. national interests. The USG is cooperating with Mali in efforts to bring an end to the conflicts and unrest that undermine West Africa's development efforts and is appreciative of Mali's willingness to contribute peacekeeping troops to regional trouble spots. The USG recognizes that for Mali to continue to play a positive role in the region, strenuous efforts must be made to achieve broad-based poverty reduction. Thus, USG activities in Mali promote economic opportunity, consolidate democracy, and aim to improve the welfare of the Malian people through improved health and education outcomes. Besides USAID, other USG agencies tackling this agenda include the Peace Corps, the National Institutes of Health, and the Centers for Disease Control.

USAID's Role

Through its new strategy, USAID will expand economic opportunities, particularly for the rural poor; provide high impact health services to improve the health and welfare of women and children, and to prevent an HIV/AIDS epidemic; improve the quality of basic education for boys and girls; consolidate democracy through decentralization; and accelerate overall development by making information more widely accessible. Special attention will be given to increasing the use of irrigation systems in order to avoid the huge dependence on amounts of rainfall that can currently make or break Mali. HIV/AIDS, gender and equity concerns are factored into all USAID activities with women and the poor majority especially targeted. Decentralization is a driving force that will impact all sectors, as it is the devolution of responsibility to the communal level. Management of many aspects of health, education and economic activities are being passed to the local level and USAID intends to support activities that create and/or strengthen the capacity of local government, civil society and the private sector.

Donor Relations

Donor coordination is facilitated through a monthly meeting among Mali's leading bilateral and multi-lateral development partners and regular meetings between the donor community and the government. Leadership of the donor coordination group is shared on a semi-annual rotating basis with USAID having been selected to lead the group during the first six months of FY 2004. USAID is also at the forefront (as chief facilitator) of a multilateral technical assistance program initiated by the World Bank to develop an Integrated Framework for expanding Mali's international trade. The United States ranks third among bilateral donors and provides about 10% of Mali's total multilateral and bilateral assistance. France and the Netherlands are the leading bilateral donors. Other key bilateral donors include Canada, Germany, Japan, Switzerland and Belgium.

Challenges

Mali's challenges include 64% of its rapidly growing population living below the poverty line; a fragile natural resource environment and high vulnerability to unreliable rainfall; a narrow source of export income, concentrated on cotton, gold and livestock; and a still-fragile but robust democracy. Over three quarters of the population is illiterate, and although economic growth is positive, growth distribution is skewed. Mali's high level of poverty and poor social indicators present the most compelling case for development assistance. The presence of terrorist groups in the North could lead to outbreaks of violence both within Mali and in the region. The problems created by the crisis in Côte d'Ivoire have prompted the government to explore and develop alternate shipping routes, and develop stronger trading relations with other countries in the region. While the country has responded extremely well to the crisis, the continuing financial losses and other impacts will require a continuing effort to mitigate losses.

Key Achievements

The Program Data Sheets describe the specific activities to be funded by USAID under its new strategy in FY 2004 and FY2005, as well as performance and results of ongoing activities. All but one of the Mission's former Strategic Objectives came to a close this year. The Sustainable Economic Growth SO

will continue until June 30, 2004 in order to complete specific bridging or preparatory activities in line with the new strategy. Close-out reports prepared for the other strategic objectives summarize the achievements and lessons learned of the former strategy.

Education

USAID efforts enabled this program to exceed virtually all expectations with the exception of girls' entrance to first grade. This past year was one of transition; USAID shifted focus from increasing access to education to strengthening quality. USAID trained over 6,000 teachers in modern more child-centered methods of teaching. In addition, significant quantities of educational materials were produced and distributed, and motorcycles were provided to assist regional teaching advisors reach remote schools. Hopefully, continued support to over 2,540 parent-teacher associations will result in narrowing the gender gap, since boys' enrollment continues to outpace girls' enrollment. In the new strategy, USAID trained 3,099 teachers and baseline assessments are underway. While it is not possible to comment upon performance indicators at this point, all major activities in the seven target regions are on track.

High Impact Health Services

The new strategy got a quick start during this transition year, initiating activities early in the fourth quarter. Four new contracts or grants were awarded or amended, significantly reducing the total number of instruments, to provide better coordination and efficiency within the new strategy. This strategy has assumed a markedly different approach to address critical health issues in the country. Activities in FY 2003, such as insecticide-treated bed net sales/distribution to combat malaria and vitamin A supplementation, should have rapid, high impact on health indicators in 2004. Vulnerable populations received over 140,000 treated bed nets, and a vitamin A campaign achieved more than 85% coverage in USAID supported regions. USAID and the Centers for Disease Control (CDC) carried out a second round of HIV surveillance surveys. USAID also established a robust baseline for the strategy, and initiated efforts to renew commitment to family planning among stakeholders.

Economic Growth

USAID made progress despite erratic rainfall in 2002/2003 that caused a significant decline in cereal production nationwide. Production of alternative, high value commodities exceeded targets, since these crops are irrigated; expansion of these commodities has been dominated by women farmers, and has contributed to significantly higher incomes. Unfortunately Cattle off-take was down, primarily due to the crisis in Côte d'Ivoire. USAID-supported market information services widened their range of products to include horticultural and processed food products, significantly improving timeliness of information. This highly successful market information system will be a key element of the new strategy. A biotechnology needs assessment was completed, and USAID has initiated activities to ensure appropriate legislative and regulatory structures are in place to advance work in this sector. A secondary irrigation canal-a bridging activity of the old strategy-under construction will expand irrigation by 1,000 hectares. USAID developed three Global Development Alliance (GDA) partnerships last year.

Democratic Governance

During this past year, over 1,329 elected and civil society leaders were trained to ensure financial management at the local level as a continuing effort to promote transparency and combat corruption. Two new contracts have been awarded to assist implementation of the new Strategic Objective. Teams have been mobilized, baselines and indicators established, and annual work plans have been negotiated. Activities to empower women participate in decision making and in political life have been initiated in four target regions. Four local NGOs have been selected and training has been begun.

Access to Information

The final phase was completed of a multi-year Internet connection activity for the whole of the University of Bamako, including the training of teachers, administrators and students. Technical assistance and equipment were provided to the Presidency and several ministries seeking to be connected to the Internet. Support to the community radio network also continued, as the number of stations rose to 148 throughout the country, providing coverage to 83% of the country. Three separate agreements were awarded to strengthen the content of radio programs to support other SO initiatives, to build linkages

between Mali's radio network and the Internet, and to provide computers and training for selected secondary and technical schools. In addition, research has begun on another activity to be implemented by Population Media Center for the design and broadcast of a radio soap opera targeting child trafficking and welfare issues. Installation of Community Learning and Information Centers (CLIC) in ten of a planned thirteen communities throughout the country began. Collaborated with Cisco systems to establish a regional Cisco Academy in Bamako through its relationship with the university.

Global Development Alliance

USAID/Mali concluded an agreement with SchafferGlobal and the GRM Office of Niger on an alliance to stimulate sugar production and processing in Mali. This first phase of an anticipated \$216 million investment will support testing of sugar varieties, environmental mitigation plans, and a laboratory for the project. A second alliance was developed with Randgold Resources at their Syama mine site which provides revenue generating activities for over 3,000 rural families, significantly increasing their incomes. A third alliance was made with the West Africa Water Initiative, the GRM, and Moving Water Industries. 10,500 rural farmers will have access to potable water and undertake income generating activities with this alliance. Under the competitive process, three awards were made where USAID funding was at minimum matched. Contractors have been "sensitized" and have committed in at least two awards, to obtaining up to \$3,000,000 in non-USAID contributions in support of USAID activities.

Gender

The Mali Mission continues to be on the leading edge of fully integrating gender issues into its programs. A dynamic gender specialist leads the mission's efforts and insures that gender is taken into account in all solicitations, implementation activities and evaluations. Key gender actions taken during this reporting period were: Clear messages/guidance was included into all draft SOW to make the Mission expectation explicit about gender mainstreaming requirement; formal Mission Gender Advisor position created/established. November 2002; formal Mission Gender Working Group created/and is functional with representative from each team and support units in December 2002; all the draft RFP/A revised to ensure that appropriate language have been included; Formal partnership has been established /reinforced with other actors such as Ministry of Women's Promotion, donors and civil society entities including National association of Moslem Women.

Trade Capacity Building

Trade promotion is one of the three principal components (intermediate results) of the Accelerated Economic Growth SO. It is also central to the End Hunger Initiative which will begin implementation this year. Activities aim to enhance Mali's trade capacity in cereals, livestock and alternative commodities. Second, USAID/Mali was designated as the donor to facilitate the Integrated Framework (IF) process in Mali following the IF meeting held in November 2002. This is a unique opportunity for USAID to play a major role in this multi-agency (World Bank, IMF, ITC, WTO, and UNCTAD) initiative.

P.L. 480 Title II

P.L. 480 resources have provided complementary support to the Mission's overall strategy, especially in the northern regions. Africare received funding for a follow on DAP, and has mobilized efforts to identify new communities to be included in Phase II. A draft baseline survey was completed in September 2003, which is currently being finalized for submission to DCHA/FFP. Efforts continued to assist farmers on irrigated lands, increasing project assistance on a total of 227 hectares of land, and building planning capacities for food security in fifty villages in the Goundam region. Income generating activities benefited a total of 332 households, diversifying incomes with activities such as animal fattening and rice hulling. Also, the local radio network was employed to broadcast vital information on prices, stocks, and market trends to farmers.

Country Close and Graduation:

Results Framework

688-001 Improved social and economic behaviors among youth (0-24 years)

SO Level Indicator(s):

- 6th grade attainment rate
- 6th grade pass rate
- Assisted delivery by trained provider
- Condom use, men, last sexual intercourse
- Contraceptive prevalence rate
- Couple years of protection
- DPT3 coverage, children less than 1 year old
- Gross Access rate
- Gross enrollment rate
- Immunization coverage, children less than 1 year old
- Mother knowledge of diarrheal disease treatment
- STI care seeking
- STI prevalence rates: 1)men; 2) women
- TT coverage, pregnant women

IR 1.1 Improved child survival services (0-4 years)

IR 1.2 Improved basic education (5-15 years)

IR 1.3 Improved reproductive health services (10-24 years)

688-002 Increased value-added of specific economic sectors to national income

SO Level Indicator(s):

- Absolute amount of savings generated by malian microfinance institutions
- Absolute value-added of cereal, livestock, alternative commodities subsectors at the national level
- Growth rate of cereals, livestock, alternative commodities subsectors at the national level
- Proportion of the subsectors as a share of GDP

IR 2.1 Increased production in cereals, livestock, and alternative commodities subsectors in targeted areas

IR 2.2 Increased processing of cereals, livestock and alternative commodities in targeted areas

IR 2.3 Increased trade in cereals, livestock, and alternative commodities subsectors in targeted areas

IR 2.4 Increased savings mobilized and credit provided by USAID supported MFIs in targeted areas

IR 2.5 Increased sustainable agricultural and natural resource management practices

688-003 Community organizations in target communes are effective partners in democratic governance

SO Level Indicator(s):

Percentage of regional/national government decisions target intermediary NGOs and federations and COs affected

Percentage of target communes in which non-targeted community organizations adopt civic action practices

Percentage of target COs expanding their development services and activities

Percentage of target COs which have formed good partnerships with local Government in delivering services

Percentage of target new community organizations which have affected two or more development decisions

IR 3.1 Target community organizations are engaged in democratic self-governance and civic action at the local level and beyond

IR 3.1.1 Target intermediary NGOs and federations support community organizations' democratic self-governance and civic action

IR 3.1.2 Target intermediary NGOs and federations effectively aggregate and represent COs interest at the local level and beyond

IR 3.2 Effective decentralization occurs by the end of 1999

688-004 Improved access to and facilitated use of information

SO Level Indicator(s):

Percent of population covered by community radios

Right access to public information

SO teams gain new tools for disseminating and obtaining information to better accomplish their objectives

IR 4.1 Increased Internet access

IR 4.2 Increased community radio communications

688-005 Development in the North

SO Level Indicator(s):

Average per capita income

Gross enrollment rate

Immunization coverage rate of children under 1 year of age

Number of new cases of armed rebellion reported

Participation rate in national and local elections

IR 5.1 Effective partnership between civil society and local authorities and development partners in targeted areas

IR 5.2 Expanded economic activities in targeted areas

IR 5.3 Increased access to basic social services in targeted areas

688-006 High Impact Health Services

SO Level Indicator(s):

Condom use at last sex (high risk populations)

Contraceptive prevalence rate (national)

DPT3 coverage (target areas, national)

Intermittent presumptive treatment in pregnant women (target areas)

Iron folate supplementation (target areas)

Non regular sex partners (high risk populations)

ORT use (target areas, national)

Vitamin A supplementation (national, campaign areas)

Vulnerable population using insecticide-treated bednets (targeted areas)

IR 6.1 Policy environment for high impact services and improved practices established

IR 6.2 Demand for high impact services and improved practices increased

IR 6.3 Access to high impact services and improved practices increased

IR 6.4 Quality of high impact services and improved practices improved

688-007 Improved Quality of Basic Education

SO Level Indicator(s):

Pass rate on the criterion-referenced achievement tests (starting year 5 of the strategy)

Percentage of effective schools

Percentage of quality schools

Promotion rate

Survival rate

IR 7.1 Better performing teachers in grades 1-6

IR 7.2 Improved curricula and achievement testing system in place for grades 1-6

IR 7.3 Better supported and managed primary schools

IR 7.4 Improved AE capacity to plan, manage, implement and assess the quality improvement agenda

688-008 Shared Governance Through Decentralization

SO Level Indicator(s):

Percentage of citizens participating in communal elections

Percentage of communes in which partnerships increase delivery of public services

Percentage of communes reporting development activities in their main domains of authority

IR 8.1 Participation of key communal level actors in democratic governance increased in targeted

communes

IR 8.2 Macro-Political enabling environment strengthened

IR 8.3 Women's participation in decision-making at the commune level increased in targeted communes

688-009 Accelerated Economic Growth

SO Level Indicator(s):

Annual percentage change in farm income from selected commodity sales in targeted areas

IR 9.1 Sustainable production of selected agricultural products in targeted areas increased

IR 9.2 Trade of selected agricultural products increased

IR 9.3 Access to finance increased

688-010 Communications for Development

SO Level Indicator(s):

Percentage of consumers reached by development information related to SO activities

Percentage of information consumers (CLIC users and radio listeners) that get the message

Percentage of malians having access to at least one local radio station (context indicator)

Ratio of malians/access to a local radio station in targeted areas

IR 10.1 Greater availability of development information

IR 10.2 Improved quality of development information

IR 10.3 Regulatory and policy environment responsive to public interest